

## **PROFESSIONAL SERVICES**

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**PANELISTS:** Greg Spak, White & Case  
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**RAPPORTEUR:** Michael Gorman, US Department of Commerce

The panel discussion on Professional Services focused on priorities in international trade for the various professional service providers. Roundtable participants recognized that individual professional services sectors have distinct priorities, but also share some similar concerns. Some concerns identified by panelists included barriers to cross-border transactions and the international mobility of professionals. Many participants stressed that liberalization of cross-border supply of services (i.e. mode 1) is becoming increasingly important because technological innovation has made it cheaper to service clients cross border than to establish a commercial presence abroad. Participants also discussed foreign trade restrictions that some felt should be reduced in the Doha Round, which included: licensure restrictions that unreasonably restrict the right to assist a client; the ability to establish in a Member state; limitations on the business form of the practice; transparency of regulations; restrictions on use of company name; limitations on the temporary entry of professionals; restrictions on international payments; and limitations on foreign capital.

Many participants expressed the view that U.S. negotiators should simultaneously reduce foreign trade restrictions in multiple fora, rather than focus resources primarily on the Doha Round, and should reduce trade barriers through bilateral trade agreements and mutual recognition agreements. Notably, many participants in the discussion stated that there is a need to educate domestic interests about why liberalization of American professions is to their benefit, particularly at the state level. Participants also recognized that the U.S. federal structure could impede the ability for professionals to practice in some states and that the United States has a fairly liberalized services schedule compared with other WTO Members. There was also an acknowledgment by many participants that the market is responding to consumers needs faster than the government is negotiating trade agreements. Professionals choose inefficient and costly procedures to avoid illegalities in order to respond to customer demand.

### **Legal Services**

In many Member states, foreign lawyers are not permitted to practice their home-country law, third- country law, or international law without becoming licensed in the host-country. A number of members of the legal services sectors described their trade priorities as, “The Three Freedoms”, which are: the right to establish, the right to associate in a form of their own choosing, and the right to practice on issues the attorney is qualified.

Many participants from the legal services sector noted that they felt common barriers to legal services include citizenship requirements for licensing as a local lawyer, restrictions on establishing partnerships with local lawyers, and restrictions on hiring, or working for, local lawyers.

Some participants stated that more U.S. states should further liberalize their legal services sector by permitting foreign legal consulting in which lawyers licensed in their own countries (and in good standing) would be permitted to practice home-country law and any other law in which they are qualified, but not host-country law. So far 16 jurisdictions in the United States have adopted a foreign legal consulting policy.

### **Accounting Services**

The first trade priority cited by many participants from the Accounting Services sector was the need to improve the schedule of commitments and remove specific barriers encountered around the globe, including the lack of transparency in regulations. Many of the participants expressed their belief that the lack of transparency and lack of opportunity to comment and participate in the rule-making phase for proposed rules restricts business opportunities.

Participants in this sector also noted as a trade priority the adoption of the “Disciplines on Domestic Regulation in the Accountancy Sector” by WTO Members. Some participants expressed the belief that the disciplines are important for establishing a basis for challenging a country’s domestic regulatory practices and for providing a standard by which a panel could reach a decision.

### **Architectural Services**

The Architectural Services sector identified transparency (in requirements and procedures for licensing), and market access (elimination of nationality & residency requirements, and creation of a temporary licensing vehicle or a practice in a host nation agreement) as principal trade concerns for many of its members.

Many participants noted that U.S. architects are eager to move forward with drafting disciplines on domestic regulation in architectural services. The principles that would define the practice of architecture have been laid out in the UIA Accord on Recommended International Standards of Professionalism in Architectural Practice. The Accord is recognized as a global standard by the member sections of the International Union of Architects (UIA), including more than 90 nations around the world. National sections agree to encourage their governments and regulatory agencies to reference or adopt the terms of the Accord as the basis for national standards and national regulations of the practice of architecture.

Disciplines on the domestic regulation of architectural services would likely follow the structure of the accountancy principles, but also include parameters specific to architects, such as social context, legal environment, level of economic development, environmental aspects and historical and cultural considerations that have a direct impact on the way that domestic architectural services are provided and regulated.

